

September 24, 2009

BILL TO PROTECT MEDICARE BENEFICIARIES PASSES HOUSE
RECIPIENTS WILL NOT SHOULDER HIGHER BURDEN FOR MEDICARE PART B
PREMIUMS NEXT YEAR

WASHINGTON, DC – Seventh District Congressman Dave Obey (D-WI) said today that the House passed legislation to protect seniors from planned increases in their Medicare Part B premiums. The Medicare Premium Fairness Act spares 11 million seniors and people with disabilities from an unfair increase in their 2010 Medicare Part B premiums. The current law provides a “hold harmless” that will be extended to all Medicare Part B recipients.

Medicare Part B covers physician services and outpatient care. The current standard premium is \$96.40 per month but is scheduled to rise next year to about \$103. Currently, 42 million American seniors and people with disabilities are enrolled in Medicare Part B. By law, the premium is calculated each year to cover about 25% of the cost of the Medicare program. For 27% of recipients, many of whom are low-income individuals or new enrollees to the Part B program, premiums would increase to about \$110-\$120 per month unless Congress acted.

“Because of the recession, many people are not getting an increase in their Social Security benefits for the first time in 35 years,” said Obey. Recipients who are not likely to get a cost-of-living increase (COLA) next year would have an added burden to pay for higher Part B premiums. But this bill protects them. “Without the offset, many would see their monthly Social Security check decrease as a result of the increase in Medicare Part B premiums,” he said.

Obey also noted that the American Recovery and Reinvestment Act provided added relief for seniors who might not receive a cost-of-living increase in their Social Security next year. The one-time \$250 payment to seniors was added to the Recovery Act to help soften the impact of the recession on those with fixed incomes.

“Especially during tough economic times like these, it is essential that we look after the needs of our seniors,” said Obey.

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